Opposition by INTUC for the privatisation of IISCO

2213. SHRI V. NARAYANASAMY: Will the Minister of STEEL be pleased to state:

(a) whether it has come to the notice of Government that there was opposition by the INTUC to the Minister's statement recently that all was set for IISCO being handed over to the private company, namely, Mukund Limited;

(b) if so, what is the reaction of Government thereto; and

(c) what steps Government propose to take to allay the fears of the INTUC against Government's move to hand over the IISCO to a private company?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) to (c) Yes, Sir. Various Central Trade Unions including INTUC have represented to the Government against the proposal for seeking private participation in the modernisation of IISCO.

Government, while seeking to enlist private participation in IISCO, have committed themselves to protect the interests of the employees. There will be no retrenchment. The management will be free to rationalise the manpower and retrain and redeploy them, based on the goodwill of the workforce. The terms and conditions of the continued employment of the employees will not be inferior to those they are currently entitled to.

As part of a process of consultation with the employees of IISCO on the proposal to enlist private participation, Government's commitment as above and the measures to be taken towards implementing it, were explained in detail to national trade union leaders and IISCO's workers' unions and officers' association. Another meeting with national trade union leaders and IISCO's workers' unions and officers' association has been fixed for today the 17th December as part of this process.

Declining investment outlay in Visakhapatnam Steel Plant

2214. SHRI MENTAY PADMANABHAM: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that there has been a decline in the investment outlay in Visakhapatnam Steel Plant;

(b) whether it is also a fact that this unit is incurring losses due to decreased investment; and

(c) if so, what steps Government propose to take to reverse this trend?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) Yes, Sir. With the commissioning of Vishakhapatnam Steel Plant in July, 1992, the fund requirement of the Plant for capital expenditure is tapering off.

(b) The plant is incurring losses due to low capacity utilisation as the production units are still in the process of stabilistion, coupled with high incidence of capital related charges *viz.* Depreciation and Interest.

(c) With a view to improving the financial viability of the Company, Government has cleared the Scheme of Restructuring of capital base of Rashtriya Ispat Nigam Limited (Visakhapatnam Steel Plant). Various remedial measures have also been initiated to increase the capacity utilisation of production facilities and the plant is expected to achieve 100 per cent production by 1996-97.